



DIXON HUGHES PLLC

Certified Public Accountants and Advisors

INDEPENDENT ACCOUNTANTS' REPORT

Board of Directors
Epana Networks, Inc.
New York, NY

We have examined the assertions of the management of Epana Networks, Inc., included in the accompanying letter, that the payphone service provider compensation procedures of Epana Networks, Inc. comply with the Federal Communications Commission's Rule Section 64.1310 (47 C.F.R. 64.1320(d)) as of December 10, 2004. Management is responsible for the assertions. Our responsibility is to express an opinion on management's assertions based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting management's assertions and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, management's assertions referred to above are fairly stated, in all material respects, based on the Federal Communications Commission's Rule Section 64.1310 (47 C.F.R. 64.1320(d)), as of December 10, 2004.

Dixon Hughes PLLC

December 10, 2004

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EPANA NETWORKS

December 10, 2004

Dixon Hughes PLLC
103 Dorsett Drive
P.O. Box 1945
Salisbury, NC 28145-1945

Re: Epana Networks, Inc. System Audit Report of Pay Telephone Compensation
FCC Rule Section 64.1310 (47 C.F.R. § 64.1320)

In accordance with the requirements found in Section 64.1320(d) of the Federal Communications Commission's rules (47 C.F.R. § 64.1320(d)), Epana Networks, Inc. ("Epana") makes the following representations regarding its compliance with the payphone service provider ("PSP") compensation procedures as of December 10, 2004:

1. Epana's procedures accurately track calls to completion. Each call record, which is information on usage that is captured and recorded at the applicable Epana switch, has a code that identifies a call that originates from a payphone. The call records are created for processing utilizing this identifying code. Because some carriers do not provide this code, a database of PSP Automatic Number Identifiers ("ANT"s) provided by Billing Concepts, Inc. is used to identify additional pay telephone call records that should be included. We then employ the following rules to determine which calls have been completed:
 - a. If the call is answered by the called party and the call record reflects conversation time of greater than zero seconds, Epana deems that call to have been completed;
 - b. If the call record has conversation time of zero seconds, Epana deems that the call has not been completed and is not a compensable call;
 - c. In addition, if the originating number has not been provided by the previous carriers and the originating number is all zeros, Epana deems this call as non-compensable.
2. Epana has a person responsible for tracking, compensating and resolving disputes concerning payphone-completed calls:

Meryl Ravitz
Epana Networks, Inc.
1250 Broadway
30th Floor
New York, NY 10001

(212) 931-8755
E-mail:Meryl@epana.com

Epana uses a clearinghouse to process its payphone compensation:

Billing Concepts, Inc.
7411 John Smith Drive, Suite 200
San Antonio, TX 78229-4898
(210) 949-7000

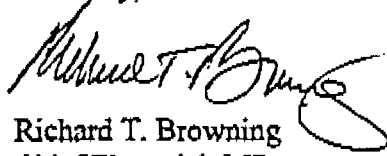
3. Epana has effective data monitoring procedures:
 - a. Epana maintains a data warehouse containing detailed call records. The data is maintained for 12 months, after which the data is stored via tape and can be accessed if needed.
 - b. There is daily monitoring by the IT/IS department of the number and type of call records entering the payphone compensation system in order to ensure the accuracy of the records.
 - c. There is daily monitoring by the IT/IS department to ensure that we are retrieving, processing and storing all call records from the switches.
4. Epana adheres to established protocols to ensure that any software, personnel or other network changes do not adversely affect its payphone call tracking ability.
5. Epana has contracted with Billing Concepts, Inc. to create compensable payphone files by matching call detail records against payphone identifiers and Billing Concepts, Inc. creates such files:
 - a. Billing Concepts, Inc. receives from each PSP a request for compensation, which includes the ANI of its payphone(s), and matches this request against the data provided by Epana.
 - b. Billing Concepts, Inc. needs the following information from the PSP in order to submit Epana's compensation to them:
 - i. List of payphone numbers used by the PSP. Billing Concepts, Inc. will compare this list to the ANI list submitted by each Local Exchange Carrier;
 - ii. Current address and contact number of PSP; and
 - iii. Email address to which quarterly data should be sent.

6. Epana has contracted with Billing Concepts, Inc. to incorporate call data into required reports and Billing Concepts, Inc. has procedures to so incorporate the call data into required reports, and such reports are provided to Epana for review on a quarterly basis.
7. Epana has implemented procedures and controls needed to resolve disputes.
8. The independent third party auditor can test all critical controls and procedures to verify that errors are insubstantial.
9. Epana has adequate and effective business rules for implementing and paying payphone compensation including rules used to:
 - a. Identify calls originated from payphones;
 - b. Identify compensable payphone calls;
 - c. Identify incomplete or otherwise non-compensable payphone calls; and
 - d. Determine the identities of the PSPs to which the completing carrier owes compensation.

Epana has contracted with Billing Concepts, Inc. to identify the payphone service providers to which Epana owes compensation and relies on Billing Concepts, Inc. to have adequate and effective business rules to determine such identities. Epana has reviewed the Report on Controls Placed in Operation for the Dial Around Compensation Services Application for Billing Concepts, Inc. for compensation of the PSPs and the auditor's report,¹ and found Billing Concepts, Inc. to have adequate and effective business rules for determining the identities of the PSPs to which Epana owes compensation. Epana shall rely on Billing Concepts to determine the identities of the PSPs to which Epana owes compensation.

Epana therefore certifies that we have established a call tracking system pursuant to Section 64.1310(a)(1) of the FCC's rules and are in compliance with Sections 64.1310 and 64.1320 of the FCC's rules.

Sincerely,


Richard T. Browning
Chief Financial Officer

¹ BCI Type II SAS Report (Padgett, Stratemann & Co., L.L.P. – Auditor) for 1/1/04 – 3/31/04.